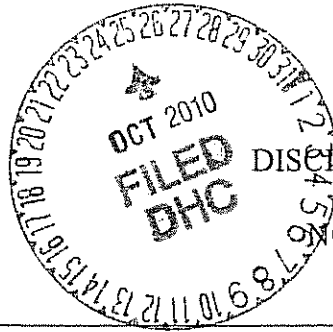


NORTH CAROLINA
WAKE COUNTY



BEFORE THE
DISCIPLINARY HEARING COMMISSION
OF THE
NORTH CAROLINA STATE BAR
10 DHC 33

THE NORTH CAROLINA STATE BAR,)
Plaintiff)
v.)
ERIC A. RICHARDSON, Attorney,)
Defendant)

ANSWER

The Defendant, Eric A. Richardson, through counsel answers the Complaint of the Plaintiff and alleges and says:

1. The allegations of paragraph 1 of the Complaint are admitted.
2. The allegations of paragraph 2 of the Complaint are admitted.
3. The allegations of paragraph 3 of the Complaint are admitted.

4. It is admitted that Eric Richardson entered into a Junior Partner Agreement with the Ivey firm on or about January 1, 2002, the terms of which speak for themselves, including the provision that it was a one (1) year contract which terminated on December 31, 2002 and which could only be renewed by mutual agreement between the parties. Any amendment to the terms of the contract had to be *in writing* and signed by both parties. Except as herein admitted, the allegations of paragraph 4 of the Complaint are denied. A copy of this Agreement is attached hereto as Exhibit 1.

5. The terms of the written Junior Partner Agreement speak for themselves and it is admitted that the quoted portion in paragraph 5 of the Complaint is accurate. Except as herein admitted, the allegations of paragraph 5 of the Complaint are denied.

6. While it is admitted that, as a member of the Ivey firm, Eric Richardson had a fiduciary and ethical obligations to the firm and its clients and it was his practice to enter all clients of the Ivey firm in that firm's client list for firm records and billing purposes. However, the cases which form the basis of this Complaint were not clients of the Ivey firm, but, instead were clients of the Oxner Thomas + Permar ("OTP") firm.

7. The allegations of paragraph 7 of the Complaint are denied in that the Junior Partner Agreement dated January 1, 2002 terminated by its own terms on December 31, 2002 and was never effectively or officially renewed as set forth more completely

hereafter in the Further Answer. Further, when the Defendant initially advised the Ivey firm of his impending departure in mid-August, 2007, he advised the firm that he planned to stay until the end of that month to ensure a smooth transition of his clients and case load and only stayed on until September 10 in order to ensure that process worked.

8. It is admitted that Eric Richardson left the Ivey firm on September 10, 2007. Except as admitted, the allegations of paragraph 8 of the Complaint are denied.

9. In response to the allegations of paragraph 9 of the Complaint, the Defendant, acknowledges that he may have spent some time out of the Ivey office in co-counsel's offices when he was assisting in other cases, but he would also work extra hours for the Ivey firm to ensure that none of his Ivey firm clients were either neglected or delayed as a result of his absence from the firm. Eric Richardson's time away from the office in these fee-producing matters for the Ivey firm was significantly less than was necessitated by his volunteer and community activities, including his responsibilities as a member of the Executive Committee for the annual PGA Golf Tournament which is held in Greensboro each August. While he did not typically keep time records for the firm demonstrating the time he was actually involved in such activities, he would also work extra hours in the office during these periods to "make up" his time away. He knew the firm was aware of these volunteer and community activities and believed that it was supportive of them.

10. The allegations of paragraph 10 of the Complaint are denied.

11. It is denied that as of September 10, 2007, that Eric Richardson had received in excess of \$100,000 in fees from outside firms that had associated him in their personal injury claims.

12. The allegations of paragraph 12 of the Complaint are denied.

13. The allegations of paragraph 13 of the Complaint are denied.

FURTHER ANSWERING THE COMPLAINT and by way of a claim of Waiver and Accord and Satisfaction, the Defendant, Eric A. Richardson shows unto the Disciplinary Hearing Commission as follows:

The clear language of the Junior Partner Agreement that Eric A. Richardson and the Ivey firm executed which was effective on or about January 1, 2002 specifically stated that it was for a one year term, expiring December 31, 2002 and, while it provided that it could be renewed by mutual agreement and amended *in writing*, there was never any formal meeting or discussion between any members of the Ivey firm and Eric A. Richardson over a "renewal" of the agreement as contemplated in it. While both parties continued their relationship pursuant to the compensation formula set out in paragraph 3 of that Agreement in subsequent years, Eric Richardson assumed that this was a *quantum meruit* decision by the firm since the 2002 Junior Partner Agreement was no longer valid in August, 2007 as it had never been formally renewed nor amended *in writing* as required by the Agreement.

That the Ivey firm also believed this Agreement was no longer valid as of September, 2007 is demonstrated by the fact that: 1) the provisions of paragraph 5 in the Agreement as to how the relationship between Richardson and the firm would be terminated were not followed. Instead, the firm developed a proposal and submitted it to Richardson with many provisions that were different than called for in the 2002 Agreement (A copy of that letter agreement dated September 7, 2007 is attached to this Answer as Exhibit 2); and 2) when a later dispute arose over the handling of fees in contingent cases which Richardson had been handling, the firm refused to submit that dispute to Arbitration as was clearly called for in paragraph 6 of the 2002 Agreement, resorting instead to the filing of a civil suit in the Superior Court of Guilford County in 2009. (*Ivey, McClellan, Gatton & Talcott, L.L.P. v. Eric A. Richardson, 09 CVS 3555 Guilford County Superior Court*).

While Eric Richardson was a Junior Partner with the Ivey firm, he would, from time to time, be asked to become associated with other lawyers or law firms to assist them in cases they were handling. Likewise, he would, on occasion consult with attorneys outside the Ivey firm about assisting with Ivey firm clients. Prior to January, 2007, these associations had been infrequent and intermittent. If Richardson associated a lawyer from outside the firm to assist with an Ivey firm client, that file would never leave the offices of the Ivey firm. As best as he can recollect, if he was associated by another firm to assist in their case, he would assume the file and treat it as an Ivey case with little further involvement of the referring attorney. As these matters would close and fees were collected, Eric Richardson treated them the same as any other Ivey firm client. He would deposit the fee earned in the Ivey firm's Trust Account and if a portion of the fees in an Ivey firm case were attributable to another lawyer or firm for their effort, that firm would be paid from Ivey's Trust Account.

One of the firms which would periodically ask Eric Richardson for assistance in their cases was the law firm of Oxner Thomas + Permar ("OTP"). This relationship had been in existence prior to the beginning of 2007, but it increased in the early part of that year. These cases from OTP were already existing, open OTP files which were in various stages of progressing when OTP sought Eric Richardson's assistance. OTP was only seeking assistance and was not looking to relinquish the client or the file, as he had done in the past. Since Mr. Richardson had worked with this firm in the past and found that to be mutually beneficial to their firm and his, he agreed to do so. Since the files were already open OTP files to remain at OTP, and Mr. Richardson had relatively little contact with the OTP files, and did not consistently keep time records on his contingent cases (whether they were Ivey firm cases or those of other firms with whom he was associated), there was not likely any time attributed or expenses charged to these files in Ivey's records. Richardson believed that the Ivey firm was aware of this practice and raised no objections to it. Without establishing any formal agreement for the division of fees, OTP and Richardson generally agreed that, at such time, as these cases closed, the parties would discuss and agree upon an appropriate distribution of the fees earned. All the files were maintained in the OTP offices. On occasion, Mr. Richardson would go to their office and assist the attorneys or staff in the processing of these claims.

At the time of his departure from the Ivey firm on or about September 10, 2007, the majority of cases in which the Defendant had been assisting the Oxner firm had not closed and no fees had been disbursed. In fact, many were cases that Richardson may have had as little as one or two conversations about. For the few cases that had closed, the costs advanced and expenses incurred attributable by OTP to the defendant had consumed nearly all of any fees to which he might have been entitled. At the time of his withdrawal from the Ivey firm on or about September 10, 2007, there was no request by the Ivey firm for any "audit" or inquiry by the firm, as to the status of any of Mr. Richardson's files. Richardson assumed that this was because he and the firm had entered into the letter agreement dated September 7, 2007 (Exhibit 2) which addressed the issues of client files and contingent fees by providing, in relevant part, that: "With respect to contingent fee matters, we (the Ivey firm) will not expect any portion of those contingency fees which you may collect in the future..." made such an audit or inquiry unnecessary.

After Mr. Richardson left the Ivey firm, it apparently instituted an investigation into the files and records on those cases upon which the Defendant had worked on with the OTP firm prior to September 10, 2007. Ivey approached Richardson in January, 2008 and initiated a discussion with him over their contention that the firm was entitled to additional revenues or fees from the OTP cases. Richardson fully cooperated with the Ivey firm and its accountant in an exchange of information in an effort to reach an amicable agreement with his former firm. In October, 2008, the Ivey firm gave Richardson a figure that it viewed he owed them and gave him 30 days in which to pay that sum into their office. Since he believed the figure to be exaggerated, he asked the firm for a meeting to discuss the issue within the 30 day period it had given him, but, instead, the firm filed a complaint with the State Bar on or about November 18, 2008. Rather than waiting for the State Bar process to unfold and despite requests from Mr. Richardson and the attorney he had retained to assist him in that dispute that the arbitration provisions of paragraph 6 of the 2002 Junior Partner Agreement be invoked, on or about the 5th day of February, 2009, the firm filed a lawsuit against him over fees they felt were due them (see above). On or about November 17, 2009, the parties entered into a Settlement Agreement and Mutual Release which resolved all of the financial issues between them which comprise the basis for most of the matters addressed in the State Bar's complaint before this Commission. On December 14, 2009, a Voluntary Dismissal with Prejudice was filed in that action. Copies of this Agreement and Release and the Voluntary Dismissal are attached as Exhibits 3 and 4 respectively.


Having fully answered the Complaint of the Plaintiff herein, the Defendant prays the Disciplinary Hearing Commission to:

1. Dismiss the Complaint of the North Carolina State Bar by finding that there was no professional misconduct on the part of Eric A. Richardson as alleged in the Complaint and that the Ivey firm waived any objections to his assisting other lawyers or law firms with their cases in the letter agreement they entered into with Eric A. Richardson on September 7, 2007 or that any financial issues that remained between them and which appear to constitute a major portion of the subject of this action have

been compromised and resolved by their Release and Dismissal which should constitute an Accord and Satisfaction of those claims such as to satisfy the Disciplinary Hearing Commission.

2. For such other and further relief as the Disciplinary Hearing Commission may deem appropriate.

This the 22nd day of October, 2010



James B. Maxwell
State Bar No.: 2933
Maxwell, Freeman & Bowman, P. A.
Attorneys for Eric A. Richardson
P. O. Box 52396
Durham, NC 27717
(919) 493-6464
(919) 493-1218 (Fax)
jmaxwell@mfbpa.com

Certificate of Service

THIS IS TO CERTIFY that the undersigned served the ANSWER by depositing the same, enclosed in a post-paid envelope and properly addressed to the following at the address show below, in a post office box or official repository under the exclusive care and custody of the United States Postal Service in the manner described by law.

A. Root Edmonson
Deputy Counsel
North Carolina State Bar
P. O. Box 25908
Raleigh, NC 27611-5908

This the 22ND day of October, 2010.

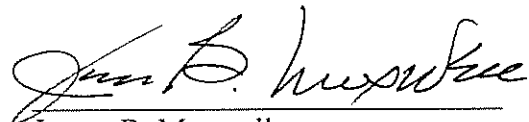

James B. Maxwell

EXHIBIT 1

JUNIOR PARTNER AGREEMENT

THIS AGREEMENT, effective January 1, 2002, is entered into by and between IVEY, McCLELLAN, GATTON & TALCOTT, LLP (hereinafter "IMG&T") and ERIC A. RICHARDSON (hereinafter "RICHARDSON");

WITNESSETH:

WHEREAS, IMG&T has employed RICHARDSON as an associate; and

WHEREAS, IMG&T wishes to associate RICHARDSON as a junior partner subject to the terms and conditions of this Agreement;

NOW, IMG&T and RICHARDSON do hereby agree as follows:

1. Term of Agreement. This Agreement shall become effective the day and year first above written and shall terminate December 31, 2002 (if not terminated earlier as provided herein). By mutual agreement of the parties hereto, this Agreement may be renewed from time to time but in no event shall any renewal extend beyond December 31 for any year for which such Agreement is renewed;
2. Tax Status. RICHARDSON shall in all respects be treated as a partner for tax purposes and will be responsible for his own social security, estimated tax payments and all other tax withholdings and/or liabilities associated with one who is a partner;
3. Compensation. RICHARDSON shall be paid a guaranteed annual draw of Eighty Thousand Dollars (\$80,000.00) payable as follows:

\$52,000.00 shall be paid to RICHARDSON in twenty-four (24) equal semi-monthly installments on the 1st and 16th of each month or on such other pay date as may be established for partners. In addition, RICHARDSON shall be paid the sum of \$7,000.00 on April 15, June 15, September 15 and December 15. RICHARDSON shall be entitled to other compensation at year end determined pursuant to the following formula:

Should RICHARDSON'S collections exceed \$165,000, then RICHARDSON shall be paid five percent (5%) of the distributable profits of the firm; should RICHARDSON'S collections exceed \$200,000.00, then RICHARDSON shall be paid ten percent (10%) of the distributable profits of the firm. For purposes of this Agreement, distributable profits shall be that amount determined by the equity and income partners to be distributed at year end after payment of all year-end expenses and allowing for subsequent year collections.

RICHARDSON's guaranteed annual draw shall be increased at a rate equal to the percentage increase in draws taken by the remaining partners.

4. Duties and Authorities. RICHARDSON shall work full time for the firm and shall not engage in any other business for profit unless specifically agreed to by IMG&T. Except as limited herein, RICHARDSON shall share fully in partnership administrative duties and participate in the business decisions of IMG&T including establishment of rules and regulations, hiring, firing, establishment of benefit plans, establishment of salaries, and RICHARDSON shall be entitled, except as otherwise provided herein, to vote on any and all issues brought before the partnership for a vote. Further, RICHARDSON shall be entitled to one (1) vote, the same as equity and income partners. RICHARDSON shall not be entitled to vote on division of profits among equity and income partners, the status of equity and/or income partners, the amendment of the Agreement between and among equity and/or income partners, and borrowing and/or other financing obligations entered into by IMG&T.
5. Termination. Either party hereto may terminate, with or without cause, this Agreement but such termination shall require a ninety (90) day notice. In the event the Agreement is terminated by either party, IMG&T reserves the right to immediately release RICHARDSON from any and all further obligations and/or duties and to pay RICHARDSON, on regular pay dates, the pay to which he would be entitled for the ninety (90) day notice period. Should termination occur by notice by RICHARDSON and should the ninety (90) day notice period, measured from the date of notice of termination, extend beyond December 31 for any year while this Agreement is in effect, then RICHARDSON shall not be entitled to the year end percentage compensation as set forth in paragraph 3 above. Should termination occur by notice of IMG&T, then RICHARDSON shall be entitled to the year-end percentage compensation as set forth in paragraph 3 above. In no event shall RICHARDSON be entitled to participate in the accounts receivable of the firm upon or following termination of this Agreement. This Agreement shall terminate automatically upon a dissolution, liquidation or other termination of IMG&T. Should this Agreement be terminated by either party and should the termination result in separation by RICHARDSON from IMG&T, then any and all client files which RICHARDSON may be working on or may have performed work upon shall be retained by IMG&T if and until it receives written instructions from the client regarding the disposition of such files. Should the client direct that such files be retained and/or delivered to RICHARDSON, then IMG&T shall have the right to copy the files in whole or in part, for purposes of record retention and/or documentation within the ethical standards of the practice. All services rendered or expenses incurred by IMG&T on behalf of the client before the termination and separation of RICHARDSON, who shall be authorized by the client to take the file, shall be billed by the firm in the absence of mutual agreement, and all fees billed and

expenses incurred prior to the date of termination shall be payable to and retained by the firm.


6. Arbitration. Should any controversy of any type arise hereunder which would require a judicial determination of such controversy, then such controversy shall be resolved by binding arbitration under the rules and regulations of the American Arbitration Association with each party to bear its own costs, fees and expenses associated therewith.

7. Amendment. This Agreement may be amended only in writing, signed by both parties hereto.

8. Indemnity. For all practical purposes, the general public will view RICHARDSON as a general equity partner and will have no notice that RICHARDSON is not an equity partner. Therefore, IMG&T agrees to indemnify and hold harmless RICHARDSON from any and all liability which may attach to the partnership, whether such liability is joint or several, except that there shall be no indemnification if the liability is the result of the negligence or malpractice actions or inactions of RICHARDSON.

9. Miscellaneous. RICHARDSON shall not be required to make a capital contribution while a junior partner. RICHARDSON shall not be entitled to receive any distribution upon termination and/or liquidation of the partnership. RICHARDSON shall have check signing authority on behalf of the partnership and shall be able to bind the partnership for contract purposes, but only those contracts authorized by the partnership. RICHARDSON shall be designated on the letterhead of IMG&T as a partner without any distinction as to the junior partner status; however, RICHARDSON shall not be entitled to have his name added to the name of the partnership.

IN WITNESS WHEREOF, RICHARDSON and an authorized equity partner of IMG&T have hereunto set their hands and seals, this the 31 day of December, 2001.


ERIC A. RICHARDSON (SEAL)

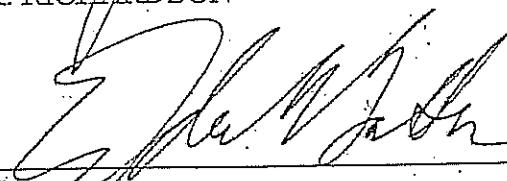

Equity Partner (SEAL)
IVEY, McCLELLAN, GATTON & TALCOTT

EXHIBIT 2

IVEY, MCCLELLAN, GATTON & TALCOTT, L.L.P.

CHARLES M. IVEY, III*
ROBERT L. MCCLELLAN
EDWIN R. GATTON
JAMES K. TALCOTT*
DIRK W. SIEGMUND*
ERIC A. RICHARDSON
JOHN M. BLUST
MARY BETH SWECKER
J. MARSHALL SHELTON

*BOARD CERTIFIED SPECIALIST IN
BUSINESS AND CONSUMER
BANKRUPTCY LAW

ATTORNEYS AND COUNSELLORS AT LAW
121 SOUTH ELM STREET
GREENSBORO, NORTH CAROLINA 27401

CHARLES M. IVEY, JR
(1914 - 1993)

MAILING ADDRESS:
POST OFFICE BOX 3324
GREENSBORO, NORTH CAROLINA
27402

TELEPHONE: (336) 274-4658
FAX: (336) 274-4540

September 7, 2007

Sender's e-mail:
CMI@imgl-law.com

Eric Richardson, PERSONAL AND CONFIDENTIAL

Re: Resignation

Dear Eric:

This will confirm that pursuant to your resignation from the firm which you announced on August 17, 2007, terminates the Junior Partner Agreement entered into by and between yourself and the firm on December 31, 2001. The effective date of this termination will be September 10, 2007.

Please be advised that effective September 11, 2007, all participation in any and all insurance coverage's provided by the firm will cease including health and medical insurance, disability insurance, and malpractice insurance. You should contact our current medical insurance provider to determine what your rights are for either continuation or substituted coverage under our plan as it is my information our plan does not contain a COBRA provision.

Further, with respect to client files, you have sent a letter to clients whom you currently represent and you may take the original files of these clients with you once you receive their written instructions that they intend for you to continue representation of them. Until such time as current clients indicate their desire for representation, you will continue to represent such clients to protect their interest. Should any client not elect to continue with you, you will immediately notify the firm so we can assume representation or refer the client elsewhere. We will not at this time copy those files but we have agreed certainly if the need arises that you will maintain those files and should we ever need a copy of all or portions of the files, we will be able to access those files at such later date. Further, for any closed files upon which you have worked and which you may need access to at a later date, we will maintain those files pursuant to our normal file retention policy and should you need access to those files, you will be given access so long as those files remain in existence.

With respect to work in progress as of September 10, 2007, any and all accounts receivable from your clients through that date are due to be paid directly to the firm. Should your clients forward to you any payments for services performed prior to September 11, 2007, we would certainly expect you to forward such immediately to the firm. With respect to

EAR Letter
September 7, 2007
Page 2 of 2

contingency fee matters, we will not expect any portion of those contingency fees which you may collect in the future however, to the extent expenses on those files have been advanced by the firm prior to September 11, 2007; we would expect you to remit those expenses to the firm as those cases may become resolved.

Despite the somewhat vague language in Paragraph 5 of the Junior Partner Agreement it is understood and agreed that you will be entitled to no further compensation from the firm after September 10, 2007.

We certainly wish you well and hope that we can continue to share referrals and enjoy a pleasant professional and hopefully personal relationship in the future.

Sincerely,

Ivey, McClellan, Gatton & Talcott



Edwin R. Gatton

AGREED TO:



Eric A. Richardson

EXHIBIT 3

SETTLEMENT AGREEMENT AND MUTUAL RELEASE

This Settlement Agreement and Mutual Release (the "Settlement Agreement") is made and entered into this 17 day of November, 2009, by and between:

Plaintiff: Ivey, McClellan, Gatton & Talcott, L.L.P.

and

Defendant: Eric A. Richardson

RECITALS

A. The Defendant Eric A. Richardson (hereinafter Richardson) is an attorney that practiced law first as an associate, and thereafter as a junior partner with that Plaintiff, Ivey, McClellan, Gatton & Talcott, L.L.P. (hereinafter IMG&T) from September 1996 through September 10, 2007. Incident to Richardson's departure from IMG&T, a dispute arose as to the handling and disclosure of certain files that Richardson had worked on while employed with IMG&T, as well as attorney's fees associated with those files.

IMG&T subsequently filed a lawsuit entitled *Ivey, McClellan, Gatton & Talcott, L.L.P., Plaintiff vs. Eric A. Richardson, Defendant*, 09 CVS 3555 in the Superior Court of Guilford County, North Carolina, which action will be dismissed with prejudice upon the terms and conditions which follow. Both IMG&T and Richardson make allegations in the Complaint and Answer which speak for themselves. Additionally, Richardson filed a Motion to Compel Arbitration, which motion was pending at the time of the resolution of the parties' dispute.

On or about August 6, 2009, the parties reached a joint settlement of all matters pending in the subject litigation and all issues arising from the employment between Richardson and IMG&T. The specific terms of the agreement were confirmed by Richard L. Pinto, attorney for Richardson, and Fred T. Hamlet, attorney for IMG&T.

B. The parties desire to enter into this Settlement Agreement and Mutual Release in order to provide for certain payments and other provisions in full settlement and discharge of all claims which have or might be made, by reason of the circumstances described in Recital A above, upon the terms and conditions set forth below.

AGREEMENT

The parties agree as follows:

1.0 Release and Discharge

1.1 In consideration of the payments and other provisions as set forth in this Settlement Agreement, and except as set forth in Section 1.2 below, the parties hereby completely release and forever discharge each other and any and all other persons, firms or corporations from any and all past, present or future claims, demands, obligations, actions, causes of action, rights, damages, costs, losses of services, expenses and compensation of any nature whatsoever, whether based on a tort, contract or other theory of recovery, which the parties now have, or which may hereafter accrue or otherwise be acquired, on account of, or may in any way grow out of the circumstances described in Recital A above.

1.2 The parties do not release each other for any claims against any party alleging malpractice in which any of the parties may be named as a defendant.

1.3 This release and discharge shall also apply to Richardson's past, present and future employers, partners, and assigns, including but not limited to Oxner Thomas + Permar, pllc, Oxner Thomas Permar and Richardson pllc, and all other related entities with whom Richardson may have been, is now, or may hereafter be affiliated.

1.4 This release shall be a fully binding and complete settlement between IMG&T and Richardson, and their heirs, assigns and successors.

1.5 The parties acknowledge and agree that the release and discharge set forth above is a general release. Except as set forth in Section 1.6 below, the parties expressly waive and assume the risk of any and all claims for damages which exist as of this date, but of which they do not know or suspect to exist, whether through ignorance, oversight, error, negligence, or otherwise, and which, if known, would materially affect the parties' decision to enter into this Settlement Agreement. Except as set forth in Section 1.6 below, the parties further agree that IMG&T will accept payment of the sums specified herein as a complete compromise of matters involving disputed issues of law and fact. The parties assume the risk that the facts or law may be other than the parties believe.

1.6 Richard represents and warrants that the document attached hereto as Exhibit A and previously provided to IMG&T is an accurate list disclosing all the clients on whose files Richardson worked prior to September 10, 2007. If it is determined there has been a material omission in Richardson's disclosures (material being \$50,000.00 or more in fees collected by Richardson on work performed prior to September 10, 2007 for such clients), then the release given herein to Richardson shall become null and void.

2.0 Payments

In consideration of the release set forth above, Richardson agrees to pay to IMG&T the sum of \$105,000.00 (bearing no interest) as follows:

- a. \$45,000.00 within five (5) business days from the execution of this Settlement Agreement;
- b. \$30,000.00 on or before March 31, 2010; and
- c. \$30,000.00 on or before December 31, 2010.

Said payments shall not be considered an admission of liability or wrongdoing by either party, but reflect a compromise of disputed and contested claims that are being made in an effort to avoid the time, expense and uncertainty that would be generated by protracted litigation.

3.0 Attorney's Fees

Each party hereto shall bear all attorneys' fees and costs arising from the actions of its own counsel in this matter, in connection with this Settlement Agreement, the matters and documents referred to herein, and all related matters.

4.0 Representation of Comprehension of Document

In entering into this Settlement Agreement the parties represent that they have relied upon the advice of their own attorney, who is the attorney of their own choice, concerning the legal and income tax consequences of this Settlement Agreement; that the terms of this Settlement Agreement have been completely read and explained to the parties by their attorney; and that the terms of this Settlement Agreement are fully understood and voluntarily accepted by the parties.

5.0 Confession of Judgment

Richardson agrees to execute a Confession of Judgment in a form exemplified by Exhibit B hereto in which Richardson agrees to confess judgment in the amount of \$60,000.00 (the future payments required under Section 2.0), which Confession of Judgment will be held by IMG&T until such time as all payments required pursuant to Paragraph 2.0 of the Settlement Agreement are made, at which time the Confession of Judgment will be returned to Richardson.

6.0 Default

Should Richardson default on the payments required pursuant to Paragraph 2.0 of this Settlement Agreement, IMG&T is authorized to file the Confession of Judgment in the Superior Court of Guilford County, North Carolina, giving Richardson credit against that Confession of Judgment for any amounts paid. However, prior to filing the Confession of Judgment, IMG&T shall be required to give written notice to Richardson of any default and intent to file Confession of Judgment, and give Richardson ten (10) days to cure said default prior to filing the Confession of Judgment. Notice of Default and Intent To File Confession of Judgment shall be sent by either certified or registered mail to Eric A. Richardson, c/o Richard L. Pinto, Post Office Box 4848, Greensboro, NC 27404.

7.0 Warranty of Capacity to Execute Agreement

IMG&T represents and warrants that no other person or entity has, or has had, any interest in the claims, demands, obligations, or causes of action referred to in this Settlement Agreement, except as otherwise set forth herein; that IMG&T has the sole right and exclusive authority to execute this Settlement Agreement and receive the sums specified in it; and that IMG&T has not sold, assigned, transferred, conveyed or otherwise disposed of any of the claims, demands, obligations or causes of action referred to in the Settlement Agreement.

8.0 Confidentiality

The parties agree that neither they nor their attorneys nor representatives shall reveal to anyone, other than as may be mutually agreed to in writing, any of the terms of this Settlement Agreement or any of the amounts, numbers or terms and conditions of any sums payable to Payee hereunder, except if required to do so pursuant to Court Order.

8.1 The parties understand that if required to do so by the North Carolina State Bar, the terms of this Settlement may be shared with them. Further, the parties agree that they may share the terms of this Settlement with their accountants if necessary for the tax filings of the parties, with instructions to each parties' accountants to keep the terms confidential.

9.0 Governing Law

This Settlement Agreement shall be construed and interpreted in accordance with the laws of the State of North Carolina.

10.0 Additional Documents

All parties agree to cooperate fully and execute any and all supplementary documents and to take all additional actions which may be necessary or appropriate to give full force and effect to the basic terms and intent of this Settlement Agreement. Specifically, IMG&T will file a Voluntary Dismissal with Prejudice in the action captioned *Ivey. McClellan, Gatton & Talcott, L.L.P. vs. Eric A. Richardson*, 09 CVS 3555, currently pending the Superior Court of Guilford County, North Carolina immediately upon payment of the amount set forth in Paragraph 2.0(a) above. Richardson agrees to execute a Confession of Judgment as outlined in Paragraph 5.0.

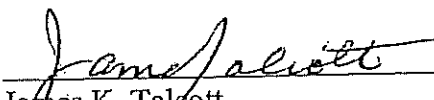
11.0 Entire Agreement and Successors in Interest

This Settlement Agreement contains the entire agreement between IMG&T and Richardson with regard to the matters set forth in it and shall be binding upon and enure to the benefit of the executors, administrators, personal representatives, heirs, successors and assigns of each.

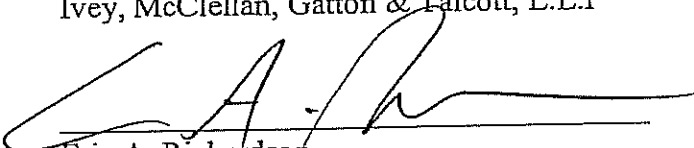
12.0 Effectiveness

This Settlement Agreement shall become effective immediately following execution.

Plaintiff:


James K. Talcott
Ivey, McClellan, Gatton & Talcott, L.L.P

Defendant:


Eric A. Richardson

Plaintiff's Attorney:


Fred T. Hamlet

Defendant's Attorney:



Richard L. Pinto

Exhibit A – List of Oxner Thomas Permar potentials or client's files reviewed or worked on prior to September 10, 2007

Client/Potential	ER Fee
Thomas Long	\$2,408*
Kristina Goad	\$1,167*
Tim Garrett	\$4,250*
James Platt	\$5,000
Larry Pennix	\$16,666
Zenon Hernandez	\$828.50*
Brandon Johnson	\$5,000
Antonio Flores	\$500
Faust. Santiago	\$2,250
Jeff Ball	\$1,000
Ray Rodriguez	\$75,000
Sergio Panzo	\$5,000
Evelyn Soto	\$1,150
Lila McClean	\$6,500
Jerica McClean	\$2,833.33
Nabor Espinoza	\$5,000
Jeffrey Cockman	\$3,000
Sharon Cockman	
Katina Allen	
Stephen Meadows	
Ryan Potts	
John Covert	
Carol Coleman	
Julian Shores	
Juan Briones	\$10,000
Tim Edwards	
Eliz Scales	\$6,660

*ER never collected fee. These sums were retained by OTP for payment of expenses with exception of \$320.59

EXHIBIT A

Jennifer Graves	\$5,416
Gail Robertson	
Joseph Burroughs	
Mary Watson	\$1,776
Sara East	
Joe Coble	
Joseph Thompson	
Gerard Snow	
Calvin Searcy	
Ashley Whitmire	
Arnold Husey	
Vickie Vanscoy	
Crystal Edwards	
Cynthia Lopez	
Keith Farges	
Ruby Honeycutt	
Christopher McLure	
Jennifer Partington	

NORTH CAROLINA
GUILFORD COUNTY

IN THE GENERAL COURT OF JUSTICE
SUPERIOR COURT DIVISION
08 CvS 3555

IVEY, McCLELLAN, GATTON
& TALCOTT, L.L.P.,

Plaintiff,

v.

ERIC A. RICHARDSON,

Defendant.

CONFESSION OF JUDGMENT

COMES NOW Defendant ERIC A. RICHARDSON ("Defendant"), pursuant to Rule 68.1 of the North Carolina Rules of Civil Procedure, and stipulates, authorizes and agrees that judgment by confession shall be entered in favor of Plaintiff IVEY, McCLELLAN, GATTON & TALCOTT, LLP ("Plaintiff") and against Defendant in the following amount:

- (i) SIXTY THOUSAND AND NO/100 DOLLARS (\$60,000.00); less
- (ii) Any amounts paid by or credited to Defendant from the date hereof until the filing of this Confession of Judgment.

This Confession of Judgment is being given by Defendant on the following terms and conditions.

1. Plaintiff is a limited liability partnership organized and existing under and by virtue of the laws of the State of North Carolina with its principal place of business in Greensboro, Guilford County, North Carolina.
2. Defendant is an individual with his principal place of business in Greensboro, Guilford County, North Carolina.
3. On or about September 10, 2007, Defendant terminated his employment with Plaintiff as a junior partner.

4. A dispute arose between the parties as a result of Defendant's failure to report and remit to Plaintiff fees earned by Defendant and retained by Defendant while employed by Plaintiff.

5. Plaintiff filed an action on February 5, 2009 against Defendant in the Superior Court of Guilford County, North Carolina concerning this dispute.

6. Plaintiff and Defendant reached a resolution of the Lawsuit and have embodied their resolution of the Lawsuit by entering into a settlement agreement (the "Agreement").

7. This Confession of Judgment is executed and being given as security for the obligations of the Defendant owing to the Plaintiff pursuant to the terms of the Agreement. Defendant stipulates and agrees that in the event of an uncured default by Defendant of his obligations pursuant to the Agreement, Plaintiff, at the time it presents this Confession of Judgment to the Clerk of Court for filing and entry of judgment, shall be permitted to file an Affidavit signed by Plaintiff stating: a) Defendant is in default of its obligations pursuant to the Agreement; b) Defendant has not cured its default; c) the full amount of payments made by or credits given to Defendant, if any, pursuant to the Agreement as of the date of Defendant's default; d) the principal amount then due and owing Plaintiff pursuant to the Agreement, which principal amount Defendant stipulates and agrees shall be the principal amount of this Confession of Judgment.

8. Defendant authorizes the entry of judgment in favor of Plaintiff against Defendant for the sum of

(i) SIXTY THOUSAND AND NO/100 DOLLARS (\$60,000.00); less

(ii) Any amounts paid by or credited to Defendant from the date hereof until the filing of this Confession of Judgment;

provided, however, the Confession of Judgment will not be filed or put on record for so long as Defendant strictly complies with the payment obligations of the Agreement.

9. Plaintiff shall not file or publish this Confession of Judgment until and unless Defendant defaults on its payment obligation set forth in the Agreement. Such default shall be conclusively established by the Affidavit accompanying this Confession of Judgment.

10. If Defendant strictly complies with all of the terms and conditions set forth above, then this Confession of Judgment shall be null and void. Upon full payment as set forth in the Agreement, and upon Defendant's request, Plaintiff shall mark the Confession of Judgment "paid and satisfied" and return the same to Defendant.

11. If Defendant does not comply strictly with all of the terms and conditions set forth above, then Plaintiff may, at its discretion, record this Confession of Judgment in Guilford County, North Carolina and further record, transcribe, domesticate and execute upon it as Plaintiff deems appropriate.

12. Defendant agrees that this Confession of Judgment is not a novation and that this Confession of Judgment does not change the nature or character of Defendant's debts and obligations to Plaintiff.

WHEREFORE, Defendant stipulates and agrees that Judgment by Confession in the amount of:

- (i) SIXTY THOUSAND AND NO/100 DOLLARS (\$60,000.00); less
- (ii) Any amounts paid by or credited to Defendant from the date hereof until the filing of this Confession of Judgment

shall be entered against Defendant.

[SIGNATURES ON FOLLOWING PAGE]

This is the ____ day of November, 2009.

CONSENTED AND AGREED TO:

ERIC A. RICHARDSON

[Signature] (signature)

Name: Eric A. Richardson (printed name)

Date: 11-18-2009

STATE OF NORTH CAROLINA

COUNTY OF Guilford

I, Angela M. Matthews a Notary Public for said County and State, do hereby certify that ERIC A. RICHARDSON personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal, this the 18 day of November, 2009.

Angela M. Matthews
Notary Public, North Carolina
Guilford County
My Commission Expires
April 3, 2012

[Signature]
Notary Public

My Commission Expires: _____

bc: Eric Richardson

EXHIBIT 4

GUILFORD COUNTY
 IN THE
 DEC 14 2009
 b2'33
 CLERK OF SUPERIOR COURT

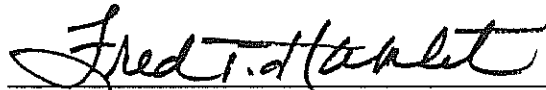
Fred T. Hamlet
 Fred T. Hamlet, NCSB No. 07772
 Attorney for Plaintiff
 Wachovia Tower – Suite 2175
 300 North Greene Street
 Greensboro, NC 27401
 336-378-9751

CERTIFICATE OF SERVICE

THIS IS TO CERTIFY that the undersigned served the DISMISSAL OF ACTION WITH PREJUDICE by depositing the same, enclosed in a post-paid envelope and properly addressed to the following parties-in-interest at the addresses as shown below in a post office box or official depository under the exclusive care and custody of the United States Postal Service in the manner prescribed by law:

Richard L. Pinto
Pinto Coates Kyre & Brown, PLLC
PO Box 4848
Greensboro, NC 27404

THIS the 14th day of December 2009.



Fred T. Hamlet, NCSB No. 07772

Attorney for Plaintiff

Wachovia Tower – Suite 2175

300 North Greene Street

Greensboro, NC 27401

336-378-9751